

GRANT TOWNSHIP
NEWAYGO COUNTY, MICHIGAN
AUDIT REPORT
MARCH 31, 2008

Auditing Procedures Report

[Reset Form](#)[Email](#)

Issued under Public Act 2 of 1968, as amended.

Unit Name	Grant Township	County	NEWAYGO	Type	SCHOOL DISTRICT	MuniCode	
Opinion Date	May 23, 2008	Audit Submitted	June 30, 2008	Fiscal Year	2008		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 354,908.00
General Fund Expenditure:	\$ 205,082.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 547,886.00
Governmental Activities Long-Term Debt (see instructions):	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Terry	Last Name	Kirkpatrick	Ten Digit License Number	1101018035		
CPA Street Address	211 Maple St	City	Big Rapids	State MI	Zip Code 49307	Telephone	+1 (231) 796-3332
CPA Firm Name	Terry Kirkpatrick, CPA, P.C.	Unit's Street Address	211 Maple St	City	Big Rapids	Zip Code	49307

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TERRY KIRKPATRICK, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

211 MAPLE STREET
P O BOX 817
BIG RAPIDS, MICHIGAN 49307-0817
(231) 796-3332
FAX (231) 796-5554

Independent Auditor's Report

To the Township Board
Grant Township, Newaygo County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grant Township, Newaygo County, Michigan, as of and for the year ended March 31, 2008, which collectively comprise Grant Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Grant Township, Newaygo County, Michigan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Grant Township, Newaygo County, Michigan, as of March 31, 2008, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grant Township, Michigan's basic financial statements. The introductory section, combining and individual non-major fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The management's discussion and analysis and budgetary comparison information on pages 2 through 4 and pages 15 and 16, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Terry Kirkpatrick, CPA, P.C.

Big Rapids, Michigan
May 23, 2008

Grant Township – Newaygo County, Michigan

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of Grant Township, as a whole, and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's net assets increased during the year. Primarily the reason for this was that revenues increased and the Township did not renew its police protection contract with Newaygo County. In a condensed format, the table below shows the net assets as of the current date:

	<u>2008</u>	<u>2007</u>
Current Assets	\$ 760,153	\$ 636,750
Non-current Assets	194,789	202,903
Total assets	<u>\$ 954,942</u>	<u>\$ 839,653</u>
 Total Liabilities	 \$ 16,049	 \$ 13,418
Net Assets		
Invested in Capital Assets	194,789	202,903
Restricted for Roads	196,218	225,272
Unrestricted	547,886	398,060
Total net assets	<u>938,893</u>	<u>826,235</u>
 Total liabilities and net assets	 <u>\$ 954,942</u>	 <u>\$ 839,653</u>

The following table shows the changes of the net assets as of the current date:

	<u>2008</u>	<u>2007</u>
General Revenues		
Property Taxes	\$ 334,402	\$ 317,667
State Grants	238,335	240,472
Charges for Services	14,977	13,933
Interest Earnings	19,522	12,017
Other Revenue	6,628	8,550
Total revenues	<u>613,864</u>	<u>592,639</u>
Program Expenses		
General Government	142,748	129,976
Public Safety	104,254	124,962
Public Works	228,713	143,679
Other Functions	17,377	23,197
Depreciation	8,114	8,114
Total expenses	<u>501,206</u>	<u>429,928</u>
Change in Net Assets	<u>\$ 112,658</u>	<u>\$ 162,711</u>

The Township's Funds

Our analysis of the Township's major funds begins on page 7, following the entity-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds include the General Fund and the Street Fund.

The General Fund pays for most of the Township's governmental services, which are partially supported by an operating tax millage and State revenue sharing. The Street Fund is financed primarily by a voted tax millage for road maintenance.

General Fund Budgetary Highlights

Grant Township did not find it necessary to amend the General Fund budget during the year as various events occurred.

Capital Asset and Debt Administration

At the end of the fiscal year, the Township had \$280,791 invested in a broad range of capital assets including buildings and equipment. In addition, the Township has invested significantly in roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law, which makes these roads the property of the Newaygo County Road Commission (along with the responsibility to maintain them).

Economic Factors and Next Year's Budgets and Rates

The Township budget for the next fiscal year will be similar to this past years' budget. State revenue sharing has shown declines in recent years and may be so again for the next year.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Clerk's office.

BASIC FINANCIAL STATEMENTS

Grant Township – Newaygo County, Michigan
Government Wide Statement of Net Assets
March 31, 2008
With Comparative Amounts at March 31, 2007

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and Cash Equivalents	\$ 689,887	\$ 544,093
Tax Receivable	42,624	43,464
Due from Grant Public Schools	0	20,238
Due from Current Tax Fund	27,642	28,955
Capital Assets (Net)	194,789	202,903
	<hr/>	
Total assets	\$ 954,942	\$ 839,653
	<hr/>	
LIABILITIES		
Accounts Payable	\$ 7,289	\$ 3,250
Due to Fire District	8,835	8,754
Deferred Revenue	(75)	1,414
Total liabilities	16,049	13,418
	<hr/>	
NET ASSETS		
Invested in capital assets, net of related debt	194,789	202,903
Unrestricted	744,104	623,332
Total net assets	938,893	826,235
	<hr/>	
Total liabilities and net assets	\$ 954,942	\$ 839,653
	<hr/>	

The "Notes to Financial Statements" are an integral part of these statements.

Grant Township – Newaygo County, Michigan
Government Wide Statement of Activities
For the Year Ended March 31, 2008
With Comparative Totals for the Year Ended March 31, 2007

	March 31,	
	2008	2007
	Governmental Activities	
	Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Operating Grants
		Charges for Services
		Program Revenues
PRIMARY GOVERNMENT		
General Government	\$ 142,748	\$ 0
Public Safety	104,254	0
Public Works	228,713	0
Other Functions	17,377	0
Depreciation (unallocated)	8,114	0
	\$ 501,206	\$ 0
Total primary government	\$ 501,206	\$ (429,928)
General Revenues		
Tax	334,402	317,667
State Grants	238,335	240,472
Charges for Services	14,977	13,933
Interest Earnings	19,522	12,017
Other Revenue	6,628	8,550
Total general revenues	613,864	592,639
Change in Net Assets	112,658	162,711
Net assets - Beginning of year	826,235	663,524
Net assets - End of year	\$ 938,893	\$ 826,235

The "Notes to Financial Statements" are an integral part of these statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Grant Township – Newaygo County, Michigan

Governmental Fund Balance Sheet

March 31, 2008

With Comparative Totals at March 31, 2007

	General Fund	Street Improvement Fund	Non-Major Governmental Funds	March 31, 2008 Totals	2007 Totals
ASSETS					
Cash and Cash Equivalents	\$ 519,716	\$ 170,171	\$ 0	\$ 689,887	\$ 544,093
Taxes Receivable	9,266	25,028	8,330	42,624	43,464
Due from Grant Public Schools	0	0	0	0	20,238
Due from Current Tax Fund	26,118	1,019	505	27,642	28,955
Total assets	\$ 555,100	\$ 196,218	\$ 8,835	\$ 760,153	\$ 636,750
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 7,289	\$ 0	\$ 8,835	\$ 16,124	\$ 3,250
Deferred Revenue - Escrow	(75)	0	0	(75)	1,414
Due to Ashland Grant Fire District	0	0	0	0	8,754
Fund Balance- Unreserved and Undesignated	547,886	196,218	0	744,104	623,332
Total liabilities and fund equity	\$ 555,100	\$ 196,218	\$ 8,835	\$ 760,153	\$ 636,750
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets					
Total Governmental Fund Balances				\$ 744,104	\$ 623,332
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources, and are not reported in the funds.					
Cost of capital assets, net of depreciation				194,789	202,903
Net assets of governmental activities				\$ 938,893	\$ 826,235

The "Notes to Financial Statements" are an integral part of these statements.

Grant Township – Newaygo County, Michigan
 Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended March 31, 2008
 With Comparative Totals for the Year Ended March 31, 2007

	General Fund	Street Improvement Fund	Non-Major Governmental Funds	2008 Totals	March 31, 2007 Totals
REVENUES					
Taxes	\$ 78,135	\$ 192,077	\$ 64,190	\$ 334,402	\$ 317,667
State Grants	238,335	0	0	238,335	240,472
Charges for Services	14,977	0	0	14,977	13,933
Interest and Rents	16,783	2,739	0	19,522	12,017
Other Revenue	6,628	0	0	6,628	8,550
Total revenues	354,858	194,816	64,190	613,864	592,639
EXPENDITURES					
General Government	142,748	0	0	142,748	129,976
Public Safety	40,064	0	64,190	104,254	124,962
Public Works	4,843	223,870	0	228,713	143,679
Other Functions	17,377	0	0	17,377	23,197
Total expenditures	205,032	223,870	64,190	493,092	421,814
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	149,826	(29,054)	0	120,772	170,825
Fund Balance - April 1,	398,060	225,272	0	623,332	452,507
Fund Balance - March 31,	\$ 547,886	\$ 196,218	\$ 0	\$ 744,104	\$ 623,332

The "Notes to Financial Statements" are an integral part of these statements.

Grant Township – Newaygo County, Michigan

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended March 31, 2008

With Comparative Amounts for the Year Ended March 31, 2007

	March 31,	
	<u>2008</u>	<u>2007</u>
Net Change in Fund Balances - Total Government Funds	\$ 120,772	\$ 170,825
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation. This is capital outlay for the year.	0	0
Depreciation expense	<u>(8,114)</u>	<u>(8,114)</u>
Change in Net Assets of Governmental Activities	<u>\$ 112,658</u>	<u>\$ 162,711</u>

The "Notes to Financial Statements" are an integral part of these statements.

Grant Township – Newaygo County, Michigan

Fiduciary Fund

Statement of Net Assets

March 31, 2008

With Comparative Amounts at March 31, 2007

	<u>Agency Fund Type</u>	
	<u>Property Tax Collection Fund</u>	
	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and Cash Equivalents	\$ 29,303	\$ 31,607
LIABILITIES		
Due to General Fund	\$ 26,118	\$ 27,755
Due to Street Improvement Fund	1,019	929
Due to Fire Fund	236	119
Due to Fire Equipment Fund	269	152
Due to Other Units of Government	1,661	2,652
Total liabilities	\$ 29,303	\$ 31,607

The "Notes to Financial Statements" are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

Grant Township – Newaygo County, Michigan

Notes to Financial Statements
For the Year Ended March 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Grant Township conform to accounting policies generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Grant Township:

Reporting Entity

The Township is governed by an elected, five-member, Board. The accompanying financial statements present the government and its component units; entities for which the government is considered to be financially accountable. Based on the application of the criteria, the Township does not contain any component units.

Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes – Grant Township's property tax is levied on each December 1st on the taxable valuation of property located within Grant Township as of the preceding December 31st.

Grant Township – Newaygo County, Michigan

Notes to Financial Statements - Continued
For the Year Ended March 31, 2008

Although the Grant Township 2007 ad valorem tax is levied and collectible on December 1, 2007, it is Grant Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations.

The 2007 taxable valuation of Grant Township totaled approximately \$67,326,000, on which ad valorem taxes levied consisted of .7405 mills for the Township operating purposes and an additional 2.8517 mills for roads, .4751 mills for fire equipment, and .4751 mills for fire protection. These amounts are recognized in the respective General and Special Revenue Fund financial statements as Due from Newaygo County and/or as a tax revenue.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted-for in another fund.

The Street Improvement Fund is used to record property tax and interest for expenditures for roads.

Additionally, the Township reports the following fund types:

The Township reports a Fiduciary Fund (Agency Fund). This fund accounts for taxes and special assessments collected by the Township as an agent for other taxing units. Fiduciary Fund net assets and results of operations are not included in the government-wide financial statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Township reports two non-major special revenue funds for a fire fund and a fire equipment fund. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities and Net Assets or Equity

Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds".

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st and are considered delinquent on March 1st of the following year, at which time interest and penalties are assessed.

Capital Assets – Capital assets, which include property, plant and equipment assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	40 Years
Building Improvements	15 to 30 Years
Equipment	5 to 10 Years
Computer Equipment	3 to 7 Years

Grant Township – Newaygo County, Michigan

Notes to Financial Statements - Continued
For the Year Ended March 31, 2008

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental units. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, activity and line items. The legal level of budgetary control adopted by the governing body is the activity level. State law requires the Township have its budget in place by April 1st. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits a township to amend its budgets during the year.

NOTE C – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations, which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township has designated one bank for the deposit of Township Funds. The investment policy adopted by the Township Board in accordance with Public Act 196 of 1997 has authorized investment in bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 719,190

The bank balance of the primary government's deposits is \$727,568, of which \$200,000 is covered by federal depository insurance.

NOTE D – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds are as follows:

	General	Steet Improvement	Non-Major	Total
Taxes receivable	\$ 9,266	\$ 25,028	\$ 8,330	\$ 42,624

The General Fund reflects a receivable from Grant Public Schools in the amount of \$20,238. Industrial Facilities taxes for the years 1995 through 2001 were paid to Grant Public Schools, but should have been paid to the State of Michigan. This amount is being paid back to the Township and the Township has sent the same amount to the State of Michigan. This activity took place in fiscal year 2006-07.

Grant Township – Newaygo County, Michigan

Notes to Financial Statements - Continued
For the Year Ended March 31, 2008

NOTE E – CAPITAL ASSETS

Capital asset activity of the governmental activities for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Buildings	\$ 274,541	\$ 0	\$ 0	\$ 274,541
Equipment	6,250	0	0	6,250
Less Accumulated depreciation for Capital assets	(77,888)	(8,114)	0	(86,002)
Net capital assets	<u>\$ 202,903</u>	<u>\$ (8,114)</u>	<u>\$ 0</u>	<u>\$ 194,789</u>

Depreciation expense was not charged to activities as the Township considers its assets to impact multiple activities and allocation is not practical.

NOTE F – RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Township has purchased workers' compensation insurance for such claims. Settled claims relating to the workers' compensation insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION

Grant Township – Newaygo County, Michigan
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended March 31, 2008
 With Comparative Actual Amounts For the Year Ended March 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>	<u>March 31, 2007 Actual</u>
BEGINNING OF YEAR FUND BALANCE	\$ 398,060	\$ 398,060	\$ 398,060	\$ 0	\$ 270,166
Resources (inflows)					
Property Tax	325,900	325,900	78,135	(247,765)	75,355
State Grants	161,000	161,000	238,335	77,335	240,472
Charges for Services	17,000	17,000	14,977	(2,023)	13,933
Interest and Rents	4,000	4,000	16,783	12,783	9,080
Other Revenue	33,000	33,000	6,628	(26,372)	8,550
Amounts Available for Appropriation	938,960	938,960	752,918	(186,042)	617,556
Charges to Appropriations (outflows)					
General Government					
Township board	60,100	60,100	35,458	24,642	22,343
Supervisor	21,460	21,460	15,660	5,800	15,963
Elections	9,200	9,200	3,865	5,335	4,972
Assessor	15,000	15,000	15,075	(75)	14,018
Clerk	23,395	23,395	19,096	4,299	20,255
Board of review	3,500	3,500	3,081	419	2,950
Treasurer	31,395	31,395	29,803	1,592	27,473
Townhall	15,300	15,300	9,652	5,648	9,660
Cemetery	21,100	21,100	11,058	10,042	12,342
Capital outlay	15,000	15,000	0	15,000	0
Public Safety					
Fire protection	76,000	76,000	11,302	64,698	10,569
Police protection	0	0	0	0	24,964
Planning and zoning	53,070	53,070	28,762	24,308	28,873
Public Works					
Drains- Public Benefit	5,000	5,000	4,843	157	1,917
Highways, Streets & Bridges	194,000	194,000	0	194,000	0
Other Functions					
Insurance and Bonds	18,000	18,000	10,079	7,921	9,417
Retirement contributions	20,000	20,000	4,493	15,507	9,547
Social security/ medicare tax	27,000	27,000	2,805	24,195	4,233
Transfer to Street Improvement Fund	270,000	270,000	0	270,000	0
Total Charges to Appropriations	878,520	878,520	205,032	673,488	219,496
Budgetary Fund Balance - March 31,	\$ 60,440	\$ 60,440	\$ 547,886	\$ 487,446	\$ 398,060

Grant Township – Newaygo County, Michigan
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended March 31, 2008
 With Comparative Actual Amounts for the Year Ended March 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)	March 31, 2007 <u>Actual</u>
BEGINNING OF YEAR FUND BALANCE	\$ 225,272	\$ 225,272	\$ 225,272	\$ 0	\$ 182,341
Resources (inflows)					
Property Tax	220,314	220,314	192,077	(28,237)	181,756
Interest and Rents	2,000	2,000	2,739	739	2,937
Transfer from General Fund	270,000	270,000	0	(270,000)	0
Amounts Available for Appropriation	717,586	717,586	420,088	(297,498)	367,034
Charges to Appropriations (outflows)					
Public Works					
Highways and Streets	570,000	570,000	223,870	346,130	141,762
BUDGETARY FUND BALANCE - March 31,	\$ 147,586	\$ 147,586	\$ 196,218	\$ 48,632	\$ 225,272

OTHER SUPPLEMENTAL INFORMATION

Grant Township – Newaygo County, Michigan

Combining Balance Sheet

Non-Major Governmental Funds

March 31, 2008

With Comparative Totals at March 31, 2007

	<u>Fire Fund</u>	<u>Fire Equipment Fund</u>	<u>Totals</u>	<u>2007 Totals</u>
ASSETS				
Due from County	\$ 4,128	\$ 4,128	\$ 8,256	\$ 8,420
Due from Current Tax Fund	236	269	505	271
Taxes Receivable - Personal	36	38	74	63
Total assets	<u>\$ 4,400</u>	<u>\$ 4,435</u>	<u>\$ 8,835</u>	<u>\$ 8,754</u>
LIABILITIES AND FUND EQUITY				
Due to Fire District	<u>\$ 4,400</u>	<u>\$ 4,435</u>	<u>\$ 8,835</u>	<u>\$ 8,754</u>

Grant Township – Newaygo County, Michigan
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended March 31, 2008
With Comparative Totals for the Year Ended March 31, 2007

	Fire <u>Fund</u>	Fire Equipment <u>Fund</u>	<u>Totals</u>	2007 <u>Totals</u>
REVENUES				
Current Property Tax	\$ 32,095	\$ 32,095	\$ 64,190	\$ 60,556
	<u>32,095</u>	<u>32,095</u>	<u>64,190</u>	<u>60,556</u>
EXPENDITURES				
Current				
Public Safety	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - April 1,				
FUND BALANCE - March 31,	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Terry Kirkpatrick, CPA, P.C.
Certified Public Accountant

211 Maple Street
P O Box 817
Big Rapids, Michigan 49307-0817
(231) 796-3332
FAX (231) 796-5554

May 23, 2008

Members of Grant Township Board
Newaygo County, Michigan

I have recently completed my audit of the basic financial statements of Grant Township for its year ended March 31, 2008. During this audit, I had an opportunity to observe accounting and financial procedures and many of your general management practices. As a result of my auditing procedures, there are some comments and/or recommendations I would like to present.

OUTSTANDING TAX ACCOUNT CHECK FROM 2006

On September 25, 2006, a check was written to Poplar Mortgage for \$ 1,696.70. This check still had not cleared the bank at the date of the audit. This same comment was made in last year's audit.

If all efforts have been made to contact Poplar Mortgage to no avail, then I believe that you should contact the State of Michigan to determine the next move.

THREE TAX FUND BANK ACCOUNTS

As of the date of this audit, the Township now has three bank accounts in existence for the Tax Collection Fund. The balances in these accounts ranged in excess of \$ 600, \$ 22,000 and \$ 6,000. The account that contains the \$ 22,000 had in excess of \$ 21,000 of deposits that pertained to prior year tax collections.

Within two weeks after settlement with the County Treasurer, the Township Treasurer should have all tax collection deposits distributed to the various taxing entities. Barring unforeseen problems, there is no reason for the tax collection fund to have more than a \$ 100 balance once the tax collection season has ended.

STREET FUND CERTIFICATE OF DEPOSIT

A Street Fund check was written to Choice One Bank for \$ 100,000 and dated March 13, 2008. The date of the Certificate of Deposit was April 11, 2008.

RECEIPTS NOT TIMELY PREPARED AND GIVEN TO CLERK

In order for the Township Clerk to fulfill her bookkeeping responsibilities, she must have a copy of the Treasurer's receipts. The Clerk used the deposits shown on the bank statements for the period October, 2007, through February, 2008, and classified all as a revenue called "no receipts available". The deposits showing up in this way amounted to more than \$ 128,000. Looking at the receipts that the Treasurer did eventually present to the Clerk, many of them written in October and November had a date listed as 2008, which to me indicates that the receipt probably was prepared by the Treasurer in 2008 in a catch up mode. For example, there were several receipts for November 2007 that were actually dated 11-7-08.

The Clerk cannot do her job without receipts being presented to her timely. If she can't do her job, then the Board does not have access to the information that the Clerk may generate for them.

OTHER MATTERS

I want to thank your personnel for the courtesy and cooperation shown me by them during the audit process.

I have mailed two copies of the audit report and this letter to the Michigan Department of Treasury. You have been given the completed copy of the Form F-65, which the Clerk must sign and mail to the Michigan Department of Treasury.

If you have any questions regarding the above or the audit, please contact me.

Terry Knecht, CPA, P.C.